

# Excerpts from Economic Development Target Industry Study

## Summary of Target Industry Recommendations

AngelouEconomics recommends the following target industries for Sugar Land. Each target will be examined in greater detail in subsequent sections, providing:

- Industry definition
- Industry overview
- Cluster ratios for Sugar Land and its benchmarked communities
- Location criteria
- Information about niche sectors within each target industry

Lists of top companies in the Fuel Cell, Financial Services, and Corporate Headquarters sectors are provided in the Appendix to this chapter.

## Target Industry Recommendations

Industry	Niche Sectors
Biomedical / Life Sciences R&D	Biomedical supplies Nanotechnology research Bio-informatics Laboratory services
Energy - related	Fuel cell research & light manufacturing Petroleum refining research Environmental services Offshore modeling software & automation
Regional and Corporate Headquarters	Most industries, particularly: Consumer goods/services, construction, financial
Financial Services	Banking Insurance Financial planning / brokerages
Specialty Electronics	Light manufacturing Research & design Process automation controls

In addition, Sugar Land may choose to target industries that complement those listed above. These may include:

- Business & Professional Services (including legal, accounting, advertising)
- Software & Computer Services (particularly those businesses supporting Sugar Land's target industries)

#### Target Industry Risk / Reward Considerations

The recommended industry targets are selected not only because of their potential to bring strong economic impacts to Sugar Land, but also because they represent a good mix of opportunities for short, mid, and long-term economic development. Within the summary table of each target industry section, we have included an indicator of risk and reward for each.

Risk / Reward: Sugar Land's Target Industries

		Low	Risk: Medium	High
Reward:	Short-term	All Financial Services Corporate Headquarters Medical Supplies Petroleum R&D / Software		
	Mid-Term		Fuel Cell Research Bioinformatics Environmental Services Specialty Electronics	
	Long-Term			Nanotechnology

For the purposes of our analysis, Risk is an indicator (low, medium, and high) of the economic development resources required versus the possibility of developing the cluster in Sugar Land. It considers the certainty of future growth in the industry, the strength of competition internationally for the industry, and the "expense" of developing the internal assets and external marketing program required to recruit the industry to Sugar Land. Sugar Land has all resources needed to recruit certain business sectors, such as financial services and corporate / regional headquarters, but may require aggressive marketing or financial incentives to strongly compete for others, such as fuel cell research or nanotechnology. Medium or high risk industries will likely require higher levels of public investment in projects, but promise greater rewards over the long-term.

As with investments, those industries with the highest risk tend to yield the highest economic development rewards. Becoming a national center for nanotech, for example, may not yield high reward immediately, but could bring big impact with the commercialization of the industry 10-15 years from today. In our description, "reward" is an indicator of the length of time before Sugar Land will enjoy the full impact of the investment. Short-term (1-3 years) rewards are those that Sugar Land is fully

prepared to gain today – all necessary community attributes are in place for the City to actively promote itself to industry leaders and reap economic benefits within a few years. Mid-term (3-5 years) rewards are related to those industries that will likely locate in Sugar Land after a concentrated marketing effort and some community development improvements. Long-term (5 years or more) rewards are associated with budding industries, those predicted to experience high growth within 10 years. Sugar Land can begin preparing for those industries today to ensure its place at the top of site locators' lists in the future.

As depicted in the above table, we have recommended a mix of industries that will hedge Sugar Land's long-term "investment" and ensure continuous reward from its economic development efforts.

## Site Assessments



### Overview

The target industry analysis for the City of Sugar Land focuses on 3 primary sites located outside the city limits but within Sugar Land's Extra Territorial Jurisdiction (ETJ) in Fort Bend County, Texas.

The 3 sites include:

1. Tract 3: currently owned by the Permanent School Fund also known as TxDOT Tract 3 as it was previously controlled by the Texas Department of Transportation
2. Tracts 4 and 5: also owned by the Permanent School Fund and know as TxDOT Tracts 4 and 5. These tracts are being reviewed as one site for the purposes of this study. Tracts 4 and 5 have recently been auctioned for sale to the public through sealed bids.
3. The Flour Daniel Property: undeveloped property surrounding the high-rise office development at the intersection of State Highway 6 and U.S. Highway 59.



## Conceptual Site Development Alternatives

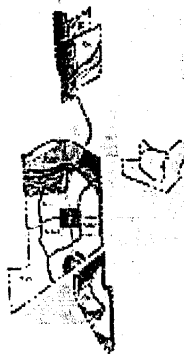
### Overview

Development of Tracts 3, 4 and 5, once annexed, will increase the land area of Sugar Land by 18%, attracting as many as 16,000 new residents to the city. Along with the full development of the Flour Daniel Tract, the commercial development of Tracts 3, 4 and 5 may provide up to 15 MSF of new office, R & D, and retail space in Sugar

Land. Development on this scale will have a profound and lasting impact on the future of the city. Careful planning and matching of the right land use to the unique conditions of each of the sites will ensure that the already high standard of living enjoyed by Sugar Land residents will be improved upon and maintained for generations to come.

To ensure that the site utilization recommendations made for each site in the Site Assessment portion of this study are in the best interest of the city, three Conceptual Site Development Alternatives were studied looking at the development of all four sites comprehensively in the broader scope of the city. Each Conceptual Site Development Alternative tests a different combination of commercial / residential densities on Tracts 3, 4 and 5. For the Flour Daniel site, the land use, densities and planning strategies identified in the existing master plan prepared by Ziegeier Cooper are assigned to each of the three schemes.

From this exploration, a unique set of advantages and disadvantages emerged when alternative land use scenarios were matched with each tract. Depending on how a land use combination interacted with existing site conditions - such as adjacent uses, location, zoning restrictions and natural site features - a particular combination becomes apparent as the "best fit".



## Conceptual Alternative A

### Overview

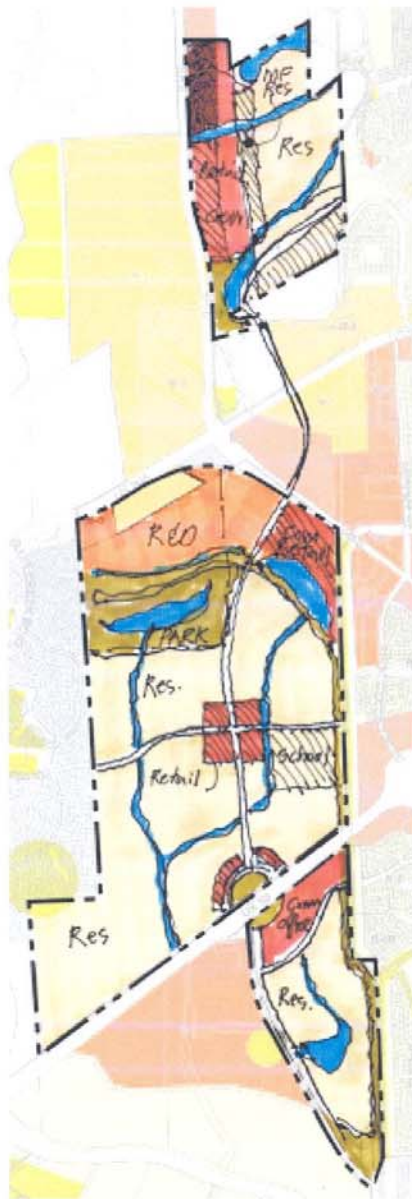
Conceptual Alternative A, with a low commercial / high residential land use mix on Tracts 3, 4, and 5 is based on land use and planning strategies provided in the LJA Tract Four and Five Feasibility Study, The Flour Daniel site, as in all the schemes assigned the office use outlined in the Lake Pointe Plaza Master Plan. The full build out of alternative A would adjust the city-wide land use mix from the current 68% residential, 20% commercial and 12% industrial to 66% residential, 22% commercial and 12% industrial.

Sixty nine percent of the developable land area of Tracts 3, 4, and 5 is dedicated to single-family residential neighborhoods. Residential development is distributed evenly across the three sites. Commercial development, is located at major intersections, adjacent to existing industrial or retail areas, primarily located along the SH 6 and 90A corridors and at the University Avenue / US 59 overpass. A 20-acre "neighborhood retail center" is currently located at the

proposed intersection of New Territory Boulevard and University Avenue at the middle of Tract 4.

Land area adjacent to the Sugar Land Municipal Airport within the airport zone AZ-01 is set aside for R&D development on the northern portion of Tract 4 and the western portion of Tract 3 fronting on to SH6. A 65-acre public park is located within the southernmost portion of the Tract 4, AZ-01 zone. The park is well situated to provide a buffer between residential uses and the neighboring R&D development.

As in all the alternatives, right-of-ways and areas around retention ponds, drainage channels and new levees are also intended to serve as "greenbelt" pedestrian and bikeways configured to link neighboring communities adjacent to and within the new development. At the northern portion of Tract 4, the levee establishes a good visual and sound buffer, dividing the R&D and retail developments from the adjacent residential area.



Conceptual Alternative A Land Use Plan

LEGEND

SINGLE-FAMILY HOUSING	MULTIFAMILY HOUSING
COMMERCIAL	R&D
RETAIL	SCHOOL
WATER	OPEN SPACE







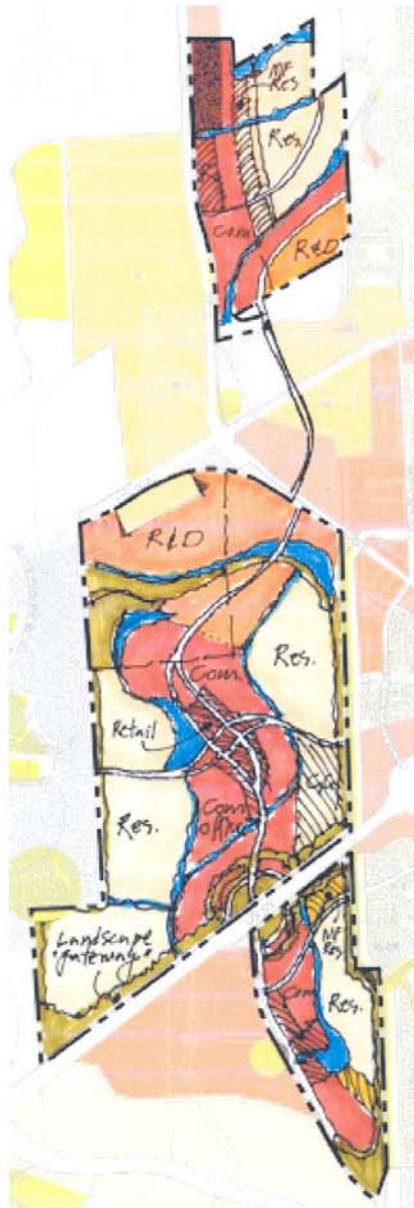
## ***Conceptual Alternative B***

### ***Overview***

Conceptual Alternative B emphasizes commercial development by making University Avenue a commercial corridor linking the new, mixed-use master planned developments of Tract 3, 4, and 5 with a vibrant mix of office, R & D and retail development. This alternative assigns medium commercial / residential densities on Tracts 3 and 5 and high commercial / low residential density for Tract 4. The Flour Daniel site, as in all the schemes, is assigned office use as outlined in the Lake Pointe Plaza Master Plan. The full build out of Alternative B would adjust the citywide land use mix from the current 68% residential, 20% commercial and 12% industrial to 63% residential, 25% commercial and 12% industrial.

Development along the University Avenue commercial corridor, anchored by the University of Houston, Sugar Land campus provides a good opportunity at the US 59 overpass to develop a "signature" gateway to the city. Such a neighborhood or village scale retail area catering to the daily business activities and needs of the residential neighborhoods would be centered around the University Avenue and New Territory Boulevard intersection. A one-way traffic couple is utilized to expedite traffic flow, optimize street frontage, and give a "small town feel" to the intersection. The curved University Boulevard alignment, routed through the AZ-01 airport that restricts residential development, optimizes the commercial potential of the northern portion of Tract 4.

On Tract 3, R&D / light industrial development fronts onto University Avenue providing a buffer between the existing industrial site to the south and the new on-site residential development "Village Centers". Local retail areas in Tracts 3, 4, and 5 are all located directly adjacent to water features and the greenbelt network of pedestrian / bikeways deployed throughout Tracts 3, 4, and 5.



Conceptual Alternative B Land Use Plan





### ***Conceptual Alternative C***

#### ***Overview***

Driven by an existing, adjacent land use, Conceptual Alternative C concentrates high commercial densities on Tracts 3 and 5 and along the southern edge of Tract 4, taking advantage of almost two miles of US 59 frontage. Commercial development is also located at the northern portion of Tract 4, occupying land in the AZ-01 zone and adjacent to existing retail development along SH6. The Flour Daniel site, as in all the schemes, is assigned office use as outlined in the Lake Pointe Plaza Master Plan.

Full development of Conceptual Alternative C would adjust the citywide land use mix from the current 68% residential, 20% commercial and 12% industrial to 61% residential, 27% commercial and 12% industrial.

Two dense centers of mixed-use office, retail, and office development along University Avenue are positioned on opposing sides of the US59 overpass. To the south, the mixed-use center is anchored the University of Houston, Sugar Land campus and an almost complete commercial build-out of Tract 5. To the north, the mixed-use center, located adjacent to a public park, provides a rich mix of commercial amenities to the businesses located along the northern US 59 frontage and the nearby residential communities. The two opposing centers of activity lay the groundwork for a "gateway" to Sugar Land while linking the city across the highway.



Conceptual Alternative C Land Use Plan

